



# THE ROAD TO AN ASIAN CENTURY: COOPERATION AND COMPETITION

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**Abstract:** The 21st century is expected to be the century of Asia, with projected economic growth of Asian countries and the decline of the US economy supporting this statement. The term 'Asian century' is used to refer to the potential dominance of Asia in the global economy, technology, military, industry, and research and development sectors. The Asian century has the potential to bring about significant change in the lives of people living in the region. Some experts believe that Asian countries, particularly China and India, will surpass the US in the economic sector by 2050. Additionally, China is seen as a potential competitor to the dominance of the US in global politics in the coming future. However, achieving an Asian century would not be easy, especially in the US-led liberal world order. The dominance of the US is based on its significant economic, technological, and military advantages. Emerging Asian countries collectively can challenge US dominance, but structural differences among them could be a major obstacle. To achieve the Asian century, collective effort is required with a focus on potential and keeping differences aside. If Asian countries can work together and cooperate with each other, they can overcome these challenges and pave the way for a new era of prosperity and influence.

**Keywords - Asian century, Asia's rise, China's rise, Challenges before Asia. Asian Regionalism**

## I. Introduction

The world is witnessing a significant change in Asian politics, economy and culture. This is due to the rise of India and China as the two nations that are shaping the global politics. And it is expected to bring a modification in global politics leading to bring about Asian century. This century is predicted to be dominated by Asia. Research by the McKinsey Global Institute shows that Asia's share in global GDP is likely to increase at a higher level in the coming decades. Economic growth in the region is set to reach new heights. Rising powers like China and India have already demonstrated their ability and potential. Primarily, China is leading Asia with its rapid economic growth. The 19<sup>th</sup> century was European, the 20<sup>th</sup> century was American, and now the 21<sup>st</sup> century is shifting towards Asia. This shift indicates a change in the centre of global politics from west to east. Although India lags China in economic growth, it is significant from a market perspective. As the largest democracy with a large proportion of young people, India can play a vital role in shaping the Asian century. China and India, as emerging economies in the region, can make the Asian century a reality. However, there are challenges both within and outside the region that must be addressed. These challenges and possible solutions are discussed in this paper. This paper aims to study the possibility of an Asian century and its relevance in surpassing the US to bring about a new world order.

The concept of 'Asian Century' was first used in the late 19<sup>th</sup> century. It was first proposed by the British scholars after seeing the potential of China, India and other Asian countries in the sphere of economic growth. The 17<sup>th</sup> century was dominated by Asia but after the development of industrialization in Europe, the dominance was shifted towards the Europe and followed by

USA after the World War II. But in the latter half of 20<sup>th</sup> century the Asian Influence began to rise, and various scholars and organizations assumed that the upcoming century would witness the Asian dominance. The 'Asian Century' is a term used to refer to the dominance of the Asian region in global politics. In this century Asia is expected to be an influential region in global affairs. Asia's growth in economy, technology, industry and likewise other sectors is associated with this term. There are many factors indicating growth and prosperity in the region in the coming decades. They include demographic factors like population size, a big proportion of young and working population and other factors like infrastructure and economic development, technological advancement and military expansions. It is widely believed that these growth aspects will greatly contribute to the geopolitical power of the region. But it would be difficult to surpass the US and become a global epicentre of power in the US-led liberal world order. Although, Asian countries are demonstrating their advancement in almost every sector there are some structural challenges which would not allow the region to get the benefit of these advancements. This article will explore the opportunities and challenges in achieving the Asian century and its influence in global politics.

## II. Historical Context of the Asian Century

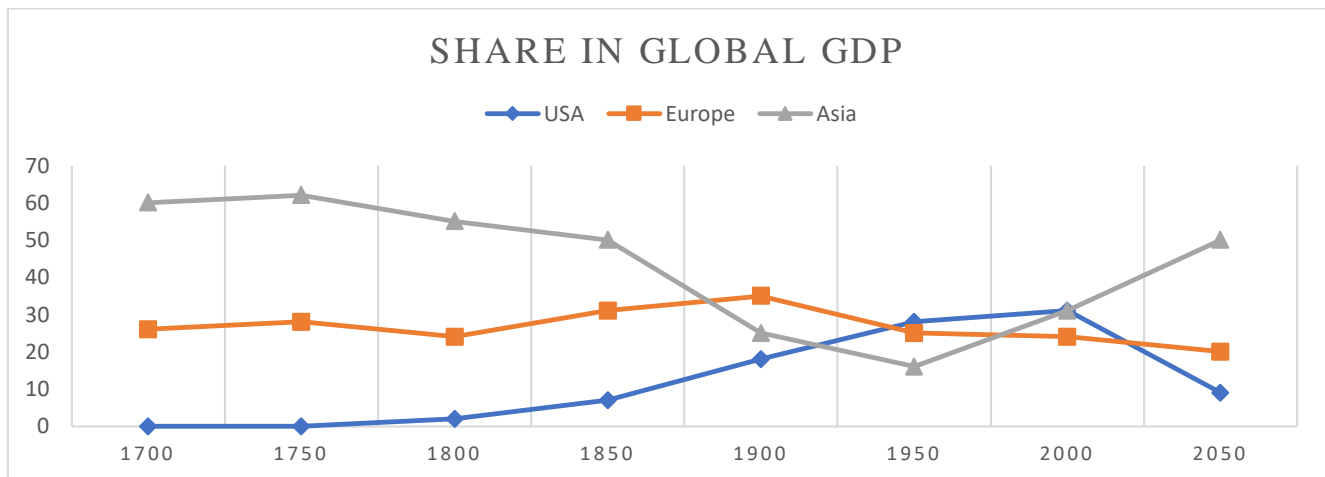
Up to the 17<sup>th</sup> century, Asia was a dominating region in the global trade. This region was leading in many areas including the economy. Due to the large area of fertile land, beneficial natural environment and rich soil textures the region was the largest producer of various crops and vegetables. Besides this, rich sources of minerals and precious metals found in the region also contributed to the regional wealth. A vast part of the region was moderately civilized. Asia was home to some of the wealthiest and most powerful empires of the time, such as the Ottoman Empire, the Mughal Empire, and the Chinese Empire. These empires had large populations, vast resources, and strong economies, which gave them significant influence in global trade and finance. The region was also an abode of various religions and socio-cultural communities. It was a region of prosperous and peaceful life. This region was especially famous for its beautiful and wonderful man-made artefacts. The beautiful art pieces and jewellery made in Asia had a huge demand from all over the globe. The peaceful and prosperous life of this region attracted foreigners. The empires of Asia also had powerful armies and navies, which allowed them to project their power across vast distances. For example, the Ottomans were known for their formidable navy, while the Mughals had a large and well-trained army. This military power gave these empires significant influence in regional and global conflicts. Asia was also home to some of the world's most important trade networks, such as the Silk Routes and the Indian Ocean trade routes. These networks allowed for the exchange of goods, ideas, and technologies between different regions of the world, which helped to spread Asian influence and power. All this contributed to make this region a centre of global pull.

In the 18<sup>th</sup> century the centre of world trade shifted towards Europe. The Industrial revolution was mainly responsible for it. The machinery brought by the Industrial revolution surpassed the Asian production which was based completely on the manmade process. With increasing production, European countries led in global trade. The number of developed countries gradually increased in the region. A huge profit earned during this period encouraged those nations to sail all around the world. They entered Asian and African regions as a trader and soon became emperors of many Asian and African countries. The European empires, in 18<sup>th</sup> and 19<sup>th</sup> centuries, reigned over major countries on the Earth. Many of the Asian and African countries were colonized by them and the GNP of those colonies in 18<sup>th</sup> and 19<sup>th</sup> century was drained towards European empires. Their influence over the global affairs was at the highest level. The European countries dominated international politics during this period. In the 19<sup>th</sup> century United States became an economy and military power and attracted the shift in global dominance from Europe to towards itself. The influence of the U.S. on world politics was begun to increase after World War I. The post-World War era was dominated by the Cold War between the USA and the USSR. Later the USSR was disintegrated, and the USA remained the only superpower in the world. The centre of dominance was shifted from Asia to Europe in the 18<sup>th</sup> and in the 19<sup>th</sup> century it was shifted towards the USA. A shift of regional dominance in world politics moved from the East to the West. It has circled the Earth and is now showing signs of returning to the East in the 21<sup>st</sup> century. (See figure 1)

During Cold war, in the 20<sup>th</sup> century the process of the Asian century was believed to be initiated. Japan, South Korea and Taiwan recorded steady economic growth. As a policy of containment of communism these countries were assisted by the USA. With the help of financial and technical assistance from the USA these countries could emerge as a growing economic

power. In the decade of the 90's of this century, the pace of Asian development was accelerated through the open policies adopted by the China and India.

Figure 1: US, China and India Share in Global GDP



[Sources: the Maddison Project, Angus Maddison. Bloomberg]

### Economic Growth and Development in Asia

Asia is a diverse and vast region. It is growing rapidly. Many countries in this region have made significant progress in various fields over the past few years. One area where many Asian countries have made great strides is the economy. New policies adopted by many countries after the Cold war accelerated the economic growth of the region. Accepting Foreign investments and developing infrastructures eased the increase in exports. Countries like China, India, Japan, and South Korea have seen impressive growth rates, particularly in industries like high-tech, manufacturing and service sectors. This growth has led to an expanding middle class, which has increased consumer spending power in these countries.

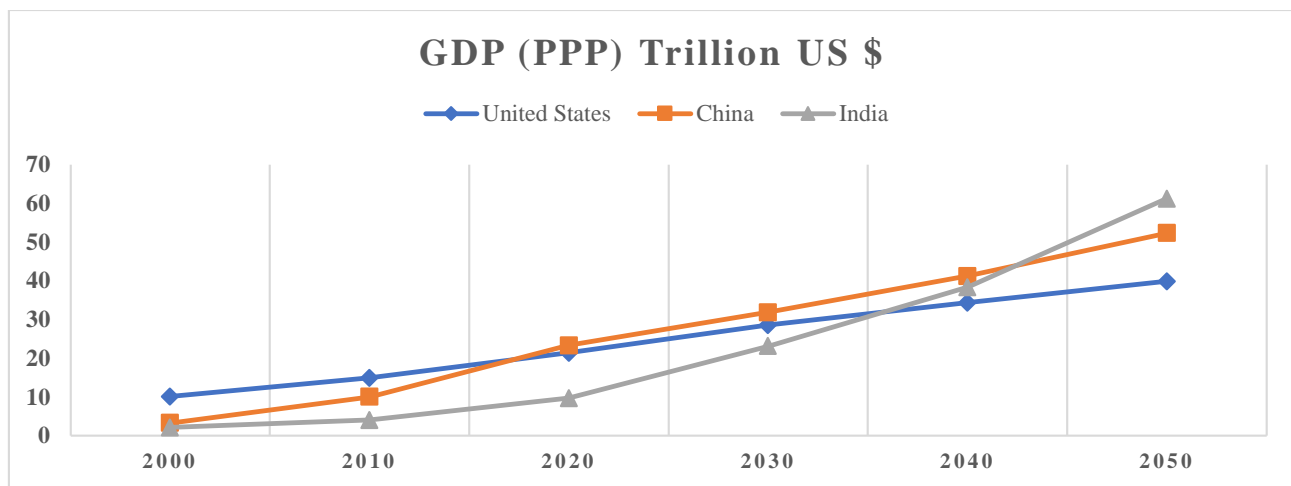
In the early 21<sup>st</sup> century economies of the major Asian countries were about to take off. With the demographic advantage this region achieved the potential of growth. Asian countries like China, India, Japan, South Korea, Indonesia, Thailand and Singapore collectively contributed to 28% of global GDP<sup>1</sup>. If it continues to follow this pace of growth, according to the report by ADB, Asia could increase its share in global GDP up to 52% by 2050<sup>2</sup>. It indicates that Asia may influence the global economy and could regain its 17<sup>th</sup> century glory in the latter half of the 21<sup>st</sup> century. In terms of GDP based on purchasing power parity, the US is currently leading. But in upcoming decades India and China look far ahead of the US. According to the projected estimates by IMF, India will get the top position by the year 2050. (See figure 2)

Another area of significant progress of the region has been in the military power of many Asian countries. Countries like China, Japan, and South Korea have been investing heavily in their military forces, particularly in air and naval power, and have also been developing advanced technologies like artificial intelligence and quantum computing. This has increased their ability to project power and defend their interests on the world stage. According to the defence website Military Direct, China has the strongest military force in the world<sup>3</sup>. As per the Global Firepower military strength ranking there are five Asian countries in the top ten military powers of the world<sup>4</sup>.

'Research and Design' is another area where Asian countries appeared to be developing fast. Many Asian countries, in this century, seem focusing more on research and design. They realized that the future of humanity lies in the technology. The West's monopoly on technology is fading out as Asian Countries advance in it. The West's dominance in the field is beginning to falter. Japan and South Korea have become leaders in these fields, investing heavily in biotechnology, materials science, and semiconductors. Meanwhile, China has been investing in cutting-edge technologies like quantum computing, artificial intelligence, and space exploration. According to research done by the Mckinsey Global Institute, Asia marked 52% growth in

global tech-company revenues and filed 87% of the global patents and invested 51% in research and development<sup>5</sup>. The growth of Asian countries in this sector is establishing itself as a global technological leader.

Figure 2: Comparison of GDP's (PPP) of US, China and India.



[Source: Based on data from the International Monetary Fund (IMF)]

One more factor to be mentioned here is also important in realizing the Asian century is demographic advantage. Demographics have played a significant role in the development of many Asian countries. Countries like China and India have large and young populations, which have presented both opportunities and challenges. As compared to China, India has a much younger population. This has been one of the key statistics that has helped India to be at the top position of the global economy. It is also having the highest number of digital consumers. Meanwhile, countries like Japan and South Korea have aging populations, which have created issues like labour shortages and declining economic growth rates. But government policies in those countries are capable enough to face the challenges. In the year 2022, Asia comprises almost 60% of working population. Countries like Cambodia, Korea recorded 75% of employment rate.<sup>6</sup> Gender gap is also found to be decreasing in this region.

Overall, while each country in Asia faces its own unique challenges, but many of them have made impressive progress in areas like the economy, military power, research and design, and demographics. These developments have positioned Asian countries as major players in global politics. The growth of the region is a key indicator of the realization of the Asian century. Although this growth is optimistic, the question arises whether all this will really benefit the region. There is a tough challenge of a great power like America. It would not be easy to influence the world order controlled and maintained by the US. Asian nations will have to strengthen their collective efforts to reduce America's monopoly or hegemony over world politics and establish its own hegemony.

### III. Why does an Asian century seem difficult?

Asian dominance in global politics may be a difficult goal to achieve. While economic development, military strength, technological advancement, and large population are important factors in gaining influence in global politics, they may not be sufficient to achieve an "Asian century." The formation of a strong union among advanced Asian countries like India, China, Japan, South Korea, Vietnam, and Indonesia would be necessary to compete with the US. The US is a big challenge in the present situation and the region must collectively make efforts to surpass America. However, internal opposition and structural obstacles can hinder this collective effort. However, creating such a union would not be easy and there are structural limitations that could obstruct the process of cooperation among these countries. The first limitation is territorial disputes. Asia is home to several territorial disputes including the ongoing disputes between China and Japan over the Senkaku Islands, between China and India over the north-east border and between China and several Southeast Asian countries over the South China Sea. These disputes have led to tensions and conflicts between countries in the region. There are occasional skirmishes between the armies of India and China along the border. Also, the situation of tension between China and South-east Asian countries also continues due to the issue of South China Sea. These issues have hindered efforts at regional cooperation and integration. Even if territorial



issues tried to be solved the historical grievances among them hamper the efforts of cooperation. Many countries in Asia found to have historical grievances with one another, often stemming from conflicts and wars that took place decades or even centuries ago. For example, Japan's actions during World War II continue to strain its relationships with several countries in the region, including China and South Korea. Besides this another barrier is economic competition. While Asia has made significant progress in terms of economic growth and development, there is also intense competition among countries in the region. This competition can lead to a zero-sum mentality<sup>7</sup>, where countries focus more on advancing their own interests than on working together to achieve common goals. In addition, Political and ideological differences are also affecting the process of cooperation in the region. Asia is home to a diverse range of political and ideological systems, including democracies, authoritarian regimes, and communist governments. Countries like India, Japan, South Korea, Vietnam, and Indonesia share democratic values, while China's communist ideology and practices are incompatible with democracy. It is unlikely that democratic and anti-democratic nations will cooperate with each other. These differences can lead to tensions and conflicts between countries in the region, particularly when it comes to issues such as human rights and political freedoms. This issue can be addressed with the help regional organizations. Basically, regional organizations are built to ease cooperation efforts by providing a platform to come together for countries who are politically different from one another. While there are several strong regional organizations in Asia, such as ASEAN and the SCO, there is also a lack of unity and coherence among these organizations. Some countries in the region are hesitant to cede sovereignty to regional bodies, which can make it difficult to achieve meaningful cooperation and integration. These are the challenges that are obstructing the process of regional cooperation in Asia.

In the 21<sup>st</sup> century, the US controls the world order, and it would be difficult to defeat it in the same world order. Some scholars believe that a strong challenge to the US may come from China. Asian nations find it difficult to unite and challenge the US or Europe. A group of nations cannot pose a challenge to the US. One option that can be examined is whether China can challenge the US. There are some positive aspects that seem to strengthen China's side, such as its growing economy, military might, and technological dominance. However, it is unclear whether this will be enough for China to become an influential global power. The US is known as a powerful diplomatic country in the world, and the international system it has created gives it a close eye on every happening in the world system. Economists predict a major decline in the US economy in the near future, but the US has the structural capacity to face any crisis. America is the leader in preventive measures, and in the past, such predictions about America have been proven false. The concept of the Asian century can only become a reality if Asian countries make efforts like the European Union did. Many scholars, with future projected data, believe China can compete with the US. But they seem to be ignoring the potential of the opponent.

#### **IV. Can China Pose a Formidable Challenge to the US?**

China, according to some experts, is expected to surpass the US in the near future. The US currently holds a significant lead in terms of wealth and military capabilities compared to China, and it is unlikely that China will catch up anytime soon due to the United States' favourable long-term economic growth prospects. According to Michael Beckley, an associate professor of political science at Tufts, China cannot surpass the US.<sup>8</sup> He states that the United States currently holds a significant lead in national power over China, with three times China's wealth and five times its military capabilities. Even if the United States faces challenges, the gap between the two countries would take decades to close. Additionally, the United States is likely to continue to have the best long-term economic growth prospects among major powers due to its advantageous geography, demography, and political institutions. On being a superpower, the US has its own advantages, it is crucial to acknowledge that it also brings significant responsibilities and obstacles. And the US appears firmly in dealing with those obstacles. From an economy perspective the US is much more powerful. The United States, comprising only 5 percent of the world's population, holds a significant share of global wealth, accounting for 25 percent of it, and has a share up to 35 percent in world innovation. It also has 40 percent of global military spending.<sup>9</sup>

The reason why the US is a superpower can be traced in its leading role in many alliances. It has sixty-eight formal allies, and it is the only country that can fight major wars beyond its home region. There are alliances that appear to be intentionally established to counter the Chinese influence in Asia. They are Quad, NATO, Five Eyes and Quad plus. In recent times the

European Union also expressed concerns about China's growing military power and territorial ambitions in the South China Sea. Chinese aggressive diplomacy and debt trap policy can also be blamed for this. The US, surely, will use its power and influence to maintain balance of power. According to Yale historian Paul Kennedy based on a study of comparing great powers over the past five hundred years, the United States is the greatest superpower ever.<sup>10</sup> The US leadership is based on its vast economic and military advantages, and it would be difficult for any country to surpass the US. Power is essential for world domination. According to Joseph Nye, there are three components of power: coercion, payment, and attraction<sup>11</sup>. We can also refer to them as military power, economic power, and ideological power. When compared to China, America's weight in the world seems heavy. Although China is expected to match the US economically and militarily in the future, it lags far behind in terms of ideology. China may become a superpower based on its economy and military power, but achieving global dominance seems to require a strong ideology that gains support from the global community. Currently, the liberal ideology supported by America has been adopted by many countries around the world, including almost all developed countries in Asia except China. In contrast, China's communism may face significant opposition even from Asian countries. Therefore, while China may become a superpower in the future, it is unlikely to achieve global dominance.

#### **V. How can an Asian century be achieved?**

The term Asian Century seems unattainable from the present scenario. Firstly, we have to understand how the American century was reached and endured for a long time. While studying the concept of 'American Century', it appears that it could occur because of the factors like national economy, ideals and the potential and responsibility of the US to lead the world. Again, American century resulted in the US-led liberal international order<sup>12</sup>. The same factors in Europe also contributed to bring the European century. From this point of view, to achieve an Asian century, it is important to create a conducive environment in this region. Though, major financial institutes are projecting that there would be many Asian countries in top world economies by 2050. But a group of countries with economic development only cannot lead the entire world. A new world order with cooperation within the region is essential. Again, the role of China and India would be significant in this direction. India and China are emerging as the two superpowers in the region. Both can create a wide path for the Asian century. But to achieve a cooperation between them seems difficult. These two Asian giants pose a great challenge to each other. Border issues and the competition for the dominance in South Asia poses them against each other. Apart from mutual enmity, internal problems are also a big issue. The rise of China has been due to its economic growth and its success in the Information Technology sector. The next challenge for China will be to build its economy based on social equity. And the challenge for India is to keep the democratic structure of the country intact. It must deal with the rising nationalism and to maintain the unity of the nation. There are many other challenges such as climate change, increasing disasters, and a growing population. These are some of the challenges that are facing the Asian countries and they need to be resolved on priority.

The 'BRICS' group can be seen as part of China's anti-US strategy. BRICS can provide strategic benefits to China, as it is going to include countries that are opposed to the US, such as Iran and Saudi Arabia<sup>13</sup>, and is also attempting to create a new currency to challenge the dominance of the dollar. BRICS can be an important platform for China to become a global power through the inclusiveness of its member countries and the development of economic strategies. However, China's policies have been aggressive and confrontational, which is a significant problem if it wants to take advantage of this bloc. Instead of competing with India, Japan, and South Korea, China should adopt a cooperative policy towards them. China must adapt to the emergence of economies in the region while competing with superpowers like the US. Currently, emerging economies in Asia are leaning more towards the US than China, which is benefiting the US strategically. The current international order is dominated by the US, and establishing an Asian power requires transforming the US-backed world order. For this transformation, China will need the help of regional powers like India, Japan, and South Korea. Therefore, it would be more appropriate for these regional powers in Asia to promote cooperation rather than competition.

#### **VI. Conclusion**

Achieving an Asian century may prove difficult. In pursuit of this goal, cooperation within the region is a must, and both India and China should lead such cooperation efforts. As of now, Asia seems to be more divided than united, with many countries

competing against each other and pursuing their own interests, rather than working together towards a common goal. This lack of cooperation and unity is hindering the growth and development of the region and preventing Asia from realizing its full potential. While India and China, the two key players in Asia, have the potential to make it a reality, structural difference between them may prevent them from working together towards this goal. If they put aside their differences and harness their potential, it could bring about significant changes in the global landscape. Other Asian countries also have a great opportunity to build their economies based on Asian values. However, the challenge now is to adapt to a new Asian culture and to achieve success in the Asian century. The Asian century has the potential to bring about changes in the way people live and work. The goal now is to rise above these challenges and make them a part of the regions culture. Therefore, it is crucial for regional powers like India and China to step up and take the lead in promoting cooperation and collaboration among the countries in the region. By working together towards a shared vision, and setting aside their differences, these two major powers can help to unite Asia and create a more stable and prosperous environment for all countries in the region. In the pursuit of an Asian century, dominating global politics alone should not be considered satisfactory. Priority should also be given to improving the standard of living for the citizens of the region, treating them equitably, achieving better health and dignified and prosperous life.

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